

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

-----x
APPLIED TECHNOLOGY LIMITED,

Plaintiff,

-v-

07 Civ 6220 (LTS)
ECF CASE

WATERMASTER OF AMERICA, INC.,

Defendant.
-----x

**ANSWER AND AFFIRMATIVE DEFENSES
OF DEFENDANT WATERMASTER OF AMERICA, INC.**

Defendant WATERMASTER OF AMERICA, INC. ("Watermaster") responds to the
Complaint of Applied Technology Limited as follows:

AS TO "PARTIES"

1. As for Paragraph 1 of the Complaint, Watermaster admits that Plaintiff is a
corporation formed and licensed to do business in the Bailiwick of Jersey, a British Crown
dependency, with its offices located in Jersey, the Channel Islands.

2. As for Paragraph 2 of the Complaint, Watermaster admits that it is a Florida
corporation licensed to do business in New York, with an office located in New York County,
New York.

AS TO "NATURE OF THE ACTION"

3. Watermaster denies each and every allegation made in Paragraph 3 of the
Complaint.

AS TO "FACTUAL BACKGROUND"

4. Watermaster denies the allegations made in Paragraph 4 of the Complaint.
5. Watermaster denies the allegations made in Paragraph 5 of the Complaint.
6. Watermaster denies the allegations made in Paragraph 6 of the Complaint.
7. Watermaster denies the allegations made in Paragraph 7 of the Complaint.
8. Watermaster denies the allegations made in Paragraph 8 of the Complaint.
9. Watermaster denies the allegations made in Paragraph 9 of the Complaint.
10. Watermaster denies the allegations made in Paragraph 10 of the Complaint.
11. Watermaster denies the allegations made in Paragraph 11 of the Complaint.
12. Watermaster denies the allegations made in Paragraph 12 of the Complaint.

AS TO THE FIRST CAUSE OF ACTION

13. In response to Paragraph 13 of the Complaint, Watermaster repeats and realleges each of the foregoing responses to Paragraphs 1 through 12 of the Complaint as if fully set forth herein.

14. Watermaster denies the allegations made in Paragraph 14 of the Complaint.
15. Watermaster denies the allegations made in Paragraph 15 of the Complaint.

AS TO THE SECOND CAUSE OF ACTION

16. In response to Paragraph 16 of the Complaint, Watermaster repeats and realleges each of the foregoing responses to Paragraphs 1 through 15 of the Complaint as if fully set forth herein.

17. Watermaster denies the allegations made in Paragraph 17 of the Complaint.

18. Watermaster denies the allegations made in Paragraph 18 of the Complaint.

19. Watermaster denies the allegations made in Paragraph 19 of the Complaint.

AS TO THE THIRD CAUSE OF ACTION

20. In response to Paragraph 20 of the Complaint, Watermaster repeats and realleges each of the foregoing responses to Paragraphs 1 through 19 of the Complaint as if fully set forth herein.

21. Watermaster denies the allegations made in Paragraph 21 of the Complaint.

22. Watermaster denies the allegations made in Paragraph 22 of the Complaint.

23. Watermaster denies the allegations made in Paragraph 23 of the Complaint.

AS TO THE FOURTH CAUSE OF ACTION

24. In response to Paragraph 24 of the Complaint, Watermaster repeats and realleges each of the foregoing responses to Paragraphs 1 through 23 of the Complaint as if fully set forth herein.

25. Watermaster denies the allegations made in Paragraph 25 of the Complaint.

26. Watermaster denies the allegations made in Paragraph 26 of the Complaint.

27. Watermaster denies the allegations made in Paragraph 27 of the Complaint.

28. Watermaster denies the allegations made in Paragraph 28 of the Complaint.

AS TO THE FIFTH CAUSE OF ACTION

29. In response to Paragraph 29 of the Complaint, Watermaster repeats and realleges each of the foregoing responses to Paragraphs 1 through 28 of the Complaint as if fully set forth herein.

30. Watermaster denies the allegations made in Paragraph 30 of the Complaint.

31. Watermaster denies the allegations made in Paragraph 31 of the Complaint.

32. Watermaster denies the allegations made in Paragraph 32 of the Complaint.

33. Watermaster denies the allegations made in Paragraph 33 of the Complaint.

34. Watermaster denies the allegations made in Paragraph 34 of the Complaint.

35. Watermaster denies the allegations made in Paragraph 35 of the Complaint.

AFFIRMATIVE DEFENSES

FIRST DEFENSE

36. The Complaint fails to state a cause of action upon which relief may be granted.

SECOND DEFENSE

37. The claims of the Complaint are barred under the doctrines of unclean hands, waiver, estoppel and/or laches.

WHEREFORE, Defendant WATERMASTER OF AMERICA, INC. requests that this Court grant judgment in favor of Watermaster and against Applied Technology Limited dismissing the Complaint with prejudice, together with attorneys fees payable to Watermaster.

JURY DEMAND

Pursuant to Fed. R. Civ. P. 38, Defendant/Counterclaim Plaintiff demands a trial by jury.

Dated: New York, New York
August 1, 2007

Respectfully submitted,

/s/ William R. Hansen

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